MOTION FILED
AUG 18 1975

IN THE

Supreme Court of the United States

OCTOBER TERM, 1974

No. 74-1555

KAISER INDUSTRIES CORPORATION ET AL., *Petitioner*

vs.

JONES & LAUGHLIN STEEL CORPORATION, *Respondent*

MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE
and
BRIEF AMICUS CURIAE OF THE AMERICAN PATENT LAW ASSOCIATION IN SUPPORT OF THE PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

ARTHUR R. WHALE, President
American Patent Law Association
2001 Jefferson Davis Highway
Arlington, Virginia 22202

By
JAMES M. WETZEL
135 South La Salle Street
Chicago, Illinois 60603

JOHN C. DORFMAN
The Fidelity Building
123 South Broad Street
Philadelphia, Pennsylvania
Its Attorneys

La Salle Street Press — Chicago Printed in U.S.A.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1974

No. 74-1555

KAISER INDUSTRIES CORPORATION ET AL., *Petitioner*

vs.

JONES & LAUGHLIN STEEL CORPORATION, *Respondent*

MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE

To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

The American Patent Law Association respectfully moves for leave to file the annexed brief *amicus curiae* in support of the petition in the captioned case for a writ of certiorari to the United States Court of Appeals for the Third Circuit.

Consent to the filing of the annexed brief was sought from both parties through their attorneys of record.* This motion is necessary because the Respondent does not consent.

---

* The correspondence requesting consent and the replies are reproduced herein at pages 4 to 7.

The American Patent Law Association has approximately 4,000 lawyer-members, all but a few of whom practice in the United States and are regularly engaged in obtaining patents, in counseling and in advocating in regard thereto. They constitute more than half of the lawyers in the United States specializing in patent law, are located in every part of the country, and represent a complete cross-section of clients. The Association is concerned, *inter alia,* with applications of the law in regard to patent rights.

The decision below regarding collateral estoppel under *Blonder-Tongue** places in doubt how far a trial court may probe in determining in a principled way what constitutes, procedurally, substantively or evidentially, "a full and fair opportunity" to litigate in the first instance. Seemingly, the decision ordains that in the matter of collateral estoppel any exercise of judicial effort by a trial court in reviewing a prior trial for the purpose of weighing justice and equity must be rejected as a misallocation of judicial resources.

We believe that the Court below erred in basing its decision on the judicial economy considerations in *Blonder-Tongue* and denied the patentee the very protection of due process that this Court's forewarnings on justice and equity sought to safeguard.

The Association expresses no views on the private interests of the parties hereto but is deeply concerned about the issues of public importance here involved. Accordingly, this motion and the annexed brief are submitted to the end

* *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation,* 402 U.S. 313 (1971).

that the uncertainties generated by the ruling below may be promptly resolved.

Respectfully submitted,

ARTHUR R. WHALE, President
American Patent Law Association
2001 Jefferson Davis Highway
Arlington, Virginia 22202

By
JAMES M. WETZEL
135 South La Salle Street
Chicago, Illinois 60603

JOHN C. DORFMAN
The Fidelity Building
123 South Broad Street
Philadelphia, Pennsylvania
Its Attorneys

As a premise in its considerations, the Third Circuit Court incorrectly declared that *Blonder-Tongue* created a "pragmatic formula" which harmonized considerations of due process and judicial economy (App. 21). Although it is true that due process and judicial economy were two subjects considered by this Court in rendering its decision in *Blonder-Tongue,* the pervading law of the case was the abrogation of mutuality in collateral estoppel and how to safeguard due process in the absence of the requirement of mutuality. With regard to due process, the Supreme Court observed that the determination of whether the patentee had a full and fair chance to litigate "is . . . not a simple matter" (*supra* at 333) and that there is "no automatic formula" for proper ruling on estoppel pleas (*supra* at 334). Nowhere did the Supreme Court "harmonize" due process and judicial economy and it certainly created no pragmatic formula.

Additionally, the Third Circuit Court mistakenly charged that, according to *Blonder-Tongue,* a patentee has a heavy burden of persuading a second trial court "that the prior proceedings were seriously defective" (App. 24). The Supreme Court made no such charge but rather mandated that the patentee shall have the right ("must be permitted") to demonstrate the absence of a "fair opportunity" and reflected that "(t)his element in the estoppel decision will comprehend . . . the important concerns . . . that the prior proceedings were seriously defective." (*supra* at 333). The conversion of that statement of the patentee's due process rights into a severe statement of the patentee's burden of proof was unwarranted and critical to the Third Circuit Court's decision.

The result of these mischaracterizations is an anomaly, for the Third Circuit Court, in effect, denied the Second Trial Court the authority to decide the due process issue.

Thus, although the Second Trial Court apparently followed the Supreme Court's charge in *Blonder-Tongue* and made a factual determination with regard to a full and fair chance to litigate (App. 147), that determination was negated and the issue of due process remains unresolved. Judicial economy is always of importance; however, in a final analysis, it is due process that must be protected. The threat of denial of due process in future cases of this kind creates an additional need for review here.

B.

There was, in addition, a disturbing misapplication of the law on estoppel by file wrapper history.

According to the record, the doctrine of file wrapper estoppel was asserted by the First Trial Court, the Michigan Court, *sua sponte* and without an opportunity for rebuttal (App. 29, 205). However, as this Court pointed out in *Blonder-Tongue,* estoppel is an affirmative defense which must be pleaded pursuant to Federal Rule of Civil Procedure 8(c) (*supra* at 350). Thus, if logic follows, under Rule 8(c) and this Court's ruling in *Blonder-Tongue,* the decision based upon the defense of estoppel, asserted by the First Trial Court, *ex post facto,* must be ruled as procedurally unfair. Additionally, and contrary to the determination of the Third Circuit Court, the defense of file wrapper estoppel was "crucial" to the finding of invalidity (App. 32). This is so because under the law, where the defense of file wrapper estoppel is properly considered (that is, equivalence concluded) and found not applicable, then the prior determination of inadequacy of claims under 35 U.S.C. 112 becomes moot. Hence, here the reliance upon file wrapper estoppel by the First Trial Court was essential to the assertion of invalidity and was a substantive matter.

In summary, if in fact it be true that the crucial defense of file wrapper estoppel were raised *sua sponte* by the First

Trial Court, *a fortiori* in the circumstance of this case the patentee was denied a fair opportunity, both procedurally and substantively, to pursue his right to litigate the first time and was denied due process. To find differently is to distort the law on estoppel by file wrapper, and to lend confusion to another distinct but important segment of patent law. These additional uncertainties amplify the unsettling effect of the decision below and reinforce the need for a ruling by this Court.

Your amicus is moved to file this brief because the issues presented are of exceptional importance, and the bar pleads for the instruction that this Court's review will give.

Respectfully submitted,

ARTHUR R. WHALE, President
American Patent Law Association
2001 Jefferson Davis Highway
Arlington, Virginia 22202

By
JAMES M. WETZEL
135 South La Salle Street
Chicago, Illinois 60603

JOHN C. DORFMAN
123 South Broad Street
Philadelphia, Pennsylvania
Its Attorneys

CERTIFICATE OF SERVICE

The undersigned hereby certifies that three copies of the foregoing were on the day of August, 1975 mailed by registered airmail to counsel for Petitioner and Respondent, respectively:

Arthur J. Goldberg
1101 Seventeenth St., N.W.
Washington, D.C. 20036

Walter J. Blenko
301 Fifth Avenue
Pittsburgh, Pennsylvania 15222

.....
as agent for

James M. Wetzel
135 S. La Salle Street
Chicago, Illinois 60603